

Notes to the Post Confirmation Report (“PCR”): Third Quarter 2023

General Notes:

On June 30, 2022, each of the two Debtors, First Guaranty Mortgage Corporation (“FGMC”) and Maverick II Holdings, LLC, filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). The cases are jointly administered under Case No. 22-10584 in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The Effective Date of the Plan was November 6, 2022.

The following notes and statements of limitation should be referred to, and referenced, in connection with any review of the PCR:

Accuracy – The financial information disclosed herein was not prepared in accordance with federal or state securities laws or other applicable non-bankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtors should evaluate this financial information in light of the purposes for which it was prepared. The Debtors are not liable for and undertake no responsibility to indicate variations from securities laws or for any evaluations of the Debtors based on this financial information or any other information.

Basis of Presentation – The financial statements and information contained herein are unaudited and preliminary. The Debtors are maintaining their books and records in accordance with generally accepted accounting principles (“GAAP”) and the information furnished in this PCR uses the Debtors’ normal accrual method of accounting. In preparing the PCR, the Debtors relied on financial data derived from their books and records that was available at the time of preparation. Subsequent information or discovery may result in material changes to the PCR and errors or omissions may exist. Notwithstanding any such discovery, new information, and errors or omissions, the Debtors do not undertake any obligation or commitment to update the PCR.

Reporting Period – Unless otherwise noted herein, the PCR generally reflects the Debtors’ books and records and financial activity occurring during the applicable reporting period.

Reservation of Rights – Given the complexity of the Debtors’ businesses, inadvertent errors, omissions, or over inclusion of contracts or leases may have occurred. Accordingly, the Debtors hereby reserve all of their rights to dispute the validity, status, enforceability, or executory nature of any claim amount, representation, or other statement in this PCR and reserve the right to amend or supplement this PCR if necessary, but shall be under no obligation to do so.

Part 1: Summary of Post-confirmation Transfers

Total Cash Disbursements includes disbursement activity for First Guaranty Mortgage Corporation and Maverick II Holdings, LLC. The First Guaranty Mortgage Corporation PCR includes FGMC Liquidating Trust disbursement activity for the applicable reporting period.

Part 3: Recoveries of the Holders of Claims and Interests under Confirmed Plan

FGMC's financial statements for the applicable reporting period were prepared with the information the Debtors had available as of October 20, 2023. Consistent with proposed treatment under the confirmed Amended, Modified and Restated Combined Disclosure Statement and Chapter 11 Plan (the "Plan"), the warehouse lenders' estimated recoveries were based upon mortgage loan sales following section 559 repo terminations and liquidations or section 362 lift stay seizures and sales permitted under the Bankruptcy Code. As of the filing of this report, two of the warehouse lenders have provided agreed final sale accountings for estimated recoveries that show their secured claims are satisfied in full, which occurred via loan sales prior to the Effective Date under the Plan. As a result of the satisfaction of these claims through the final sale accounting, no actual payment was disbursed to the warehouse lenders during the quarter. These claims have been released but have not yet been expunged. For remainder of the warehouse lenders, we do not have agreed final sale accountings. Therefore, Total Anticipated Payments Under the Plan for warehouse lenders are estimated at 95% for this interim report. All other filed secured claims are disputed and estimated at zero for purposes of this interim report.

The amounts to be paid under the Ch. 11 Plan are still unknown for the General Unsecured Claims because recoveries to date have not met the threshold whereby excess amounts may be available for distribution to General Unsecured Claim holders. Thus, the Total Anticipated Payments Under the Plan are zero for General Unsecured Claims in this report. Because the estate is still reviewing, responding to, and reconciling claims, the Allowed Claims in this report are the Debtors best estimates and are subject to change and revision in future post-confirmation reports.

Administrative Claims only include payments related to the DIP Loan. In the ordinary course of business, administrative expenses were paid, but such amounts are not reflected in Part 3 because amounts for non-DIP loan administrative claims were not forecasted explicitly in the Ch. 11 Plan and Disclosure Statement. The Total Allowed Claims for Administrative Claims are \$53.3 million, which was the DIP Loan balance as of November 6, 2022.